

Sixteen full-time equivalent positions (5)

Section 26 of 2021 Senate Bill No. 2086 transferred sixteen full-time equivalent foster care licensing positions of the human service zones to the Department to become state employees. The positions transferred do not result in a net addition of positions delivering human services programs, services, or functions under the appropriation provided in 2021 House Bill No. 1012. The total full-time equivalent positions in section 1 of 2021 House Bill No. 1012 should be adjusted to reflect the sixteen full-time equivalent positions transfers approved by the sixty-seventh Legislative Assembly as authorized in section 26 of 2021 Senate Bill No. 2086. The appropriation for the sixteen full-time equivalent positions is already included in 2021 House Bill No. 1012. This suggested language could be used:

SECTION X. FULL-TIME EQUIVALENT POSITIONS -

DEPARTMENT OF HUMAN SERVICES. The department of human services, pursuant to section 26 of 2021 Senate Bill No. 2086 passed by sixty-seventh Legislative Assembly, is authorized sixteen full-time equivalent positions for the period beginning with the effective date of this Act and ending June 30, 2023.

Increase appropriation authority for Medicaid, Title IV-E Foster Care, and Home and Community-Based Services (6)

The Department will need authority for the increased federal medical assistance percentage (FMAP), 6.2%, that started on July 1, 2021, and is ending on March 31, 2022. The Department estimates that it will receive approximately \$46.5 million for Medicaid and \$1.5 million for Title IV-E Foster Care.

As you may recall, section 7 of 2021 House Bill 1012 restricts the Department from spending any general fund savings resulting from federal enhancements or adjustments that cause the federal medical assistance percentage to exceed the rates used by the sixty-seventh Legislative Assembly for budgeting purposes for the biennium beginning July 1, 2021, and ending June 30, 2023. The federal medical assistance percentage used for the Department's budget by the sixty-seventh Legislative Assembly was 53.50%. The Department just received the final federal medical assistance percentage for 2023, which is lower than the federal medical assistance percentage used to build the Department's 2021-2023 budget. The Department's federal medical assistance percentage will be 51.55% starting October 1, 2022, through September 30, 2023. This decrease in federal medical assistance percentage will result in a need for additional general funds. The Department will continue to monitor the situation and may need to ask the sixty-eighth Legislative Assembly for deficiency funding, the ability to spend the general fund savings protected by section 7 of 2021 House Bill No. 1012, or emergency funding to cover the general fund needs based on the decrease in the federal medical assistance percentage.

The Department is also asking for federal authority in the amount of \$31.6 million for its 10% Home and Community-Based Plan (Plan). The Department submitted its Plan to the centers for Medicare and Medicaid services (CMS) as per Section 9817 of ARPA. Section 9817 of ARPA allows

states to set aside 10% of all eligible home and community-based services spending for a period of twelve months, with the direction that states re-invest those dollars in building capacity in the systems that deliver home and community-based services. The Department estimates that \$31.6 million of federal funds would accrue from April 1, 2021, through March 31, 2022. The Department would be required to spend all funds no later than March 31, 2024. The approved Plan does not require any additional general funds. The Department only needs the spending authority to use the funds that have been made available to the Department.

The total request for line 6 is \$79,600,000 in federal authority.

Medicaid postpartum coverage (7)

The Department has an opportunity, through ARPA, to provide postpartum coverage from sixty days to three hundred sixty-five days by filing a State Plan amendment prior to April 2022. The Department would need spending authority in the amount of \$600,000 in federal funds. The Department believes that it can provide this additional coverage during the 2021-2023 biennium without an additional need of general funds due to an anticipated savings generated by a decrease in emergency room visits and inpatient costs. If additional general funds are required, the Department would appreciate an amendment to section 7 of 2021 House Bill No. 1012 that permits the Department to spend up to \$600,000 in general fund savings resulting from federal enhancements or adjustments that cause the federal medical assistance percentage to exceed the rates used by the sixty-seventh Legislative Assembly for budgeting purposes for the biennium beginning July 1, 2021, and ending June 30, 2023.

Lifespan Respite grant, Vulnerable Adult Protection Services grant, Supplemental Nutrition Assistance Program non-competitive grant, Title IV-B grant, Money Follows the Person capacity grant, and Randolph Shepard Vocational Rehabilitation grant (8, 9, 10, 11, 15, and 16)

The Department has received various federal grant awards that it needs spending authority for:

1. Lifespan respite grant in the amount of \$386,690 to continue and expand lifespan respite services to caregivers across the state. The grant funds are to be utilized to provide outreach and information to caregivers as well as respite services in order to provide a break and prevent burnout;
2. Vulnerable Adult Protection Services grant in the amount of \$1,936,350 to expand services to vulnerable older adults during this COVID-19 pandemic. The funds can be utilized to provide rental assistance, direct care, outreach and information, and staff as needed to properly administer services, and other uses that help to address need during the pandemic;
3. Supplemental Nutrition Assistance Program non-competitive grant in the amount of \$239,558 to establish a database for verifying income for individuals applying for SNAP;
4. Children and Family Services (Family First Prevent Services Act) Transition Title IV-B grant in the amount of \$1,168,347 that will be used to provide services to achieve safety, permanency, and wellbeing for vulnerable children who enter the child welfare system;

5. Money Follows the Person capacity grant in the amount of \$5,000,000 for Planning and capacity building activities to accelerate Long Term Services and Supports system transformation design and implementation and to expand home and community-based service capacity. The funding is expected to support the North Dakota Money Follows the Person grant's efforts to make meaningful progress towards increasing the use of community-based services; and
6. Randolph Shepard Vocational Rehabilitation grant in the amount of \$22,663 to be used for income replacement funding for Randolph Shepard programs which saw reduced income during the pandemic.

Line transfer authority (12)

Section 8 of 2021 House Bill No. 1012 permits the office of management and budget to transfer appropriation, at the request of the Department, between line items within subdivisions 1, 2, and 3 of section 1 of the Department's appropriation. The Department received additional spending authority of federal funds through 2021 House Bill Nos. 1394 and 1395 that are not reflected in subdivisions 1, 2, and 3 of section 1 of 2021 House Bill No. 1012. At the time when 2021 House Bill Nos. 1394 and 1395 were passed by the sixty-seventh Legislative Assembly, the Department did not have the program details fully scoped and subawards and beneficiaries identified. Depending on if the organization we enter into an agreement with is a purchase of service or a subgrant award it changes which class is necessary for making the payments appropriately (operating or grants). The Department needs authority similar to section 8 of 2021 House Bill No. 1012 to move the appropriated funds into the correct class to spend appropriately.

Free-through recovery program (13)

The sixty-seventh Legislative Assembly appropriated the Department of Corrections and Rehabilitation an additional \$3.3 million in federal funds for the free-through recovery program if the Department of Corrections and Rehabilitation received additional federal funds in that same amount. The Department will also need \$3.3 million in federal spending authority as it is responsible to contract with and pay behavioral health providers who participate in the free-through recovery program pursuant to N.D.C.C. § 54-23.3-10.

Carryover Authority for North Dakota State Hospital (14)

The Department, through the North Dakota State Hospital, received a grant in the amount of \$200,000 from the federal Department of Health and Human Services. The Department is seeking an exemption to permit it to carryover the federal funds from the 2019-2021 biennium into the 2021-2023 biennium to be used to fix a noted deficiency for infection control.